

Executive Summary – Enforcement Matter – Case No. 46587
The Dallas Group of America, Inc.
RN100872977
Docket No. 2013-0678-AIR-E

Order Type:

Findings Agreed Order

Findings Order Justification:

People or environmental receptors have been exposed to pollutants which exceed levels that are protective.

Media:

AIR

Small Business:

Yes

Location(s) Where Violation(s) Occurred:

The Dallas Group of America, 301 Dock Road, Texas City, Galveston County

Type of Operation:

Ammonium chloride manufacturing plant

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: September 6, 2013

Comments Received: No

Penalty Information

Total Penalty Assessed: \$5,038

Amount Deferred for Expedited Settlement: \$0

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$2,519

Total Due to General Revenue: \$0

Payment Plan: N/A

SEP Conditional Offset: \$2,519

Name of SEP: Barber's Hill Independent School District

Compliance History Classifications:

Person/CN - High

Site/RN - High

Major Source: No

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: September 2011

Executive Summary – Enforcement Matter – Case No. 46587
The Dallas Group of America, Inc.
RN100872977
Docket No. 2013-0678-AIR-E

Investigation Information

Complaint Date(s): N/A
Complaint Information: N/A
Date(s) of Investigation: October 29, 2012
Date(s) of NOE(s): March 15, 2013

Violation Information

1. Failed to prevent unauthorized emissions. Since the emissions event could have been avoided through better operational practices, Respondent is precluded from asserting the affirmative defense [30 TEX. ADMIN. CODE § 116.115(b)(2)(F) and (c), TEX. HEALTH & SAFETY CODE § 382.085(b), and New Source Review Permit No. 24711, Special Conditions No. 1].
2. Failed to submit the initial notification for a reportable emissions event within 24 hours of discovery [30 TEX. ADMIN. CODE § 101.201(a)(1)(B) and TEX. HEALTH & SAFETY CODE § 382.085(b)].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

Respondent has implemented the following corrective measures:

- a. On November 1, 2012, permanently removed hydrochloric acid Storage Tank T-5C from service;
- b. By November 2, 2012, neutralized the area and excavated and removed the contaminated soil; and
- c. On November 5, 2012, submitted the initial report for Incident No. 175682.

Technical Requirements:

The Order will require Respondent to implement and complete a Supplemental Environmental Project ("SEP"). (See Attachment A)

Litigation Information

Date Petition(s) Filed: N/A
Date Answer(s) Filed: N/A
SOAH Referral Date: N/A
Hearing Date(s): N/A

Executive Summary – Enforcement Matter – Case No. 46587
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Settlement Date: N/A

Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Jessica Schildwachter, Enforcement Division, Enforcement Team 5, MC 149, (512) 239-2617; Candy Garrett, Enforcement Division, MC 219, (512) 239-1456

TCEQ SEP Coordinator: Stuart Beckley, SEP Coordinator, Enforcement Division, MC 219, (512) 239-3565

Respondent: Robert H. Dallas II, President, The Dallas Group of America, Inc., P.O. Box Drawer 1687, Texas City, Texas 77592

Edward Yanick, Plant Manager, The Dallas Group of America, Inc., P.O. Box Drawer 1687, Texas City, Texas 77592

Respondent's Attorney: N/A

Attachment A
Docket Number: 2013-0678-AIR-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	The Dallas Group of America, Inc.
Penalty Amount:	Five Thousand Thirty-Eight Dollars (\$5,038)
SEP Offset Amount:	Two Thousand Five Hundred Nineteen Dollars (\$2,519)
Type of SEP:	Contribution to a Third-Party Pre-Approved SEP
Third-Party Administrator:	Barber's Hill Independent School District
Project Name:	<i>Alternative Fuel School Bus Replacement</i>
Location of SEP:	Chambers County

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the penalty amount assessed in this Agreed Order for Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Offset Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

a. Project

Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to **Barber's Hill Independent School District** ("Barber's Hill ISD") for the *Alternative Fuel School Bus Replacement* program. The contribution will be used in accordance with the SEP Agreement between the Third-Party Administrator and the TCEQ (the "Project"). Specifically, the SEP Offset Amount shall be used to reduce carbon monoxide ("CO"), nitrogen oxides ("NO_x"), particulate matter ("PM"), and volatile organic compounds ("VOC") emissions by replacing older school buses with new propane-fueled buses. The Third-Party Administrator shall ensure that each replacement bus purchased has an engine that meets 2010 EPA Standards. The Third-Party Administrator has invested in propane fueling infrastructure to support the operation of new propane-fueled buses. The Third-Party Administrator shall give preference to replacing the oldest, most polluting buses currently in use. Only older buses that are currently in regular use, driven on a regular route on a weekly basis for at least the past two years are eligible for replacement. The SEP Offset Amount will only be used for the purchase of a base model propane-fueled replacement bus. The Third-Party Administrator shall own and operate each replacement bus for at least five (5) years following the date of purchase. The SEP will

be performed in accordance with all federal, state, and local environmental laws and regulations.

All dollars contributed will be used solely for the direct cost of the Project. Any portion of this contribution that is not able to be spent on the specifically identified SEP may, at the discretion of the Executive Director ("ED"), be applied to another pre-approved SEP.

Respondent's signature affixed to this Agreed Order certifies that it has no prior commitment to make this contribution and that it is being contributed solely in an effort to settle this enforcement action. Respondent shall not profit in any manner from this SEP.

b. Environmental Benefit

This SEP will directly benefit air quality by reducing harmful exhaust emissions that contribute to the formation of ozone and may cause or exacerbate a number of respiratory diseases, including asthma. For example, by replacing a 1989 diesel bus with a new 2010 ultra-low emission model, passengers' exposures to NO_x may be reduced by 98 percent; VOC by 93 percent; CO by 83 percent; and PM by 99 percent.

c. Minimum Expenditure

Respondent shall contribute at least the SEP Offset Amount to the Third-Party Administrator and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, Respondent must contribute the SEP Offset Amount to the Third-Party Administrator. Respondent shall make the check payable to **Barber's Hill ISD SEP** and shall mail the contribution with a copy of the Agreed Order to:

John Johnson, Consultant
Carl R. Griffith & Associates, Inc.
2901 Turtle Creek Drive, Suite 445
Port Arthur, Texas 77642

3. Records and Reporting

Concurrent with the payment of the SEP Offset Amount, Respondent shall provide the Enforcement Division SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount to the Third-Party Administrator. Respondent shall mail a copy of the check and transmittal letter to:

The Dallas Group of America, Inc.
Agreed Order - Attachment A

Texas Commission on Environmental Quality
Enforcement Division
Attention: SEP Coordinator, MC 219
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of required reporting described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that Respondent failed to fully implement and complete the Project, Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP, shall make the check payable to "Texas Commission on Environmental Quality," and shall mail it to:

Texas Commission on Environmental Quality
Office of Legal Services - Litigation Division
Attention: SEP Coordinator, MC 175
P.O. Box 13087
Austin, Texas 78711-3087

5. Publicity

Any public statements concerning this SEP made by or on behalf of Respondent must include a clear statement that the Project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP Offset Amount identified in this Agreed Order has not been, and shall not be, included as a SEP for Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.



Penalty Calculation Worksheet (PCW)

Policy Revision 3 (September 2011)

PCW Revision August 3, 2011

TCEQ

DATES

Assigned

18-Mar-2013

PCW

15-May-2013

Screening

4-Apr-2013

EPA Due

RESPONDENT/FACILITY INFORMATION

Respondent The Dallas Group of America, Inc.

Reg. Ent. Ref. No. RN100872977

Facility/Site Region 12-Houston

Major/Minor Source Minor

CASE INFORMATION

Enf./Case ID No. 46587

Docket No. 2013-0678-AIR-E

Media Program(s) Air

Multi-Media

No. of Violations 2

Order Type Findings

Government/Non-Profit No

Enf. Coordinator Jessica Schildwachter

EC's Team Enforcement Team 5

Admin. Penalty \$ Limit Minimum

\$0

Maximum

\$25,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)

Subtotal 1 \$7,750

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History

-10.0%

Enhancement

Subtotals 2, 3, & 7 -\$775

Notes

Reduction for high performer classification.

Culpability

No

0.0%

Enhancement

Subtotal 4 \$0

Notes

The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments

Subtotal 5 \$1,937

Economic Benefit

Total EB Amounts

\$5

Approx. Cost of Compliance

\$4,250

0.0% Enhancement*

*Capped at the Total EB \$ Amount

Subtotal 6 \$0

SUM OF SUBTOTALS 1-7

Final Subtotal \$5,038

OTHER FACTORS AS JUSTICE MAY REQUIRE

0.0%

Adjustment \$0

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount \$5,038

STATUTORY LIMIT ADJUSTMENT

Final Assessed Penalty \$5,038

DEFERRAL

0.0%

Reduction

Adjustment \$0

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes

No deferral is recommended for Findings Orders.

PAYABLE PENALTY

\$5,038

Screening Date 4-Apr-2013

Docket No. 2013-0678-AIR-E

PCW

Respondent The Dallas Group of America, Inc.

Policy Revision 3 (September 2011)

Case ID No. 46587

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100872977

Media [Statute] Air

Enf. Coordinator Jessica Schildwachter

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	0	0%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgements or consent decrees meeting criteria</i>)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	0	0%

Please Enter Yes or No

Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 0%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

High Performer

Adjustment Percentage (Subtotal 7) -10%

>> Compliance History Summary

Compliance
History
Notes

Reduction for high performer classification.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) -10%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% -10%

Screening Date 4-Apr-2013

Docket No. 2013-0678-AIR-E

PCW

Respondent The Dallas Group of America, Inc.

Policy Revision 3 (September 2011)

Case ID No. 46587

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100872977

Media [Statute] Air

Enf. Coordinator Jessica Schildwachter

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 116.115(b)(2)(F) and (c), Tex. Health & Safety Code § 382.085(b), and New Source Review Permit No. 24711, Special Conditions No. 1

Violation Description

Failed to prevent unauthorized emissions. Specifically, the Respondent released 5,014 pounds of hydrochloric acid ("HCl") from the HCl Storage Tank T-5C during an avoidable emissions event (Incident No. 175682) that began on October 24, 2012 and lasted 14 hours. The event occurred due to the failure of the tank manway, which was caused by a crack in the manway flange liners allowing HCl to come into contact with the fiberglass reinforced tank, allowing the contents of Tank T-5C to spill to the dike containment area and over the dike containment onto the ground alongside Dock Road. Six firefighters and five employees were exposed to HCl vapors and were taken to a local emergency room for evaluation and treatment and the Texas City Fire Department issued a precautionary Shelter-In-Place Order from approximately midnight until 5:00 a.m. Since the emissions event could have been avoided through better operational practices, the Respondent is precluded from asserting the affirmative defense under 30 Tex. Admin. Code § 101.222.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual	x		
Potential			

Percent 30.0%

>> Programmatic Matrix

Falsification	Harm		
	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to pollutants which exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$17,500

\$7,500

Violation Events

Number of Violation Events 1

1 Number of violation days

mark only one with an x	daily	x
	weekly	
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	

Violation Base Penalty \$7,500

One daily event is recommended.

Good Faith Efforts to Comply

25.0% Reduction

\$1,875

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary	x	
N/A		(mark with x)

Notes

The Respondent completed the corrective actions by November 2, 2012, prior to the March 15, 2013 NOE.

Violation Subtotal \$5,625

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$5

Violation Final Penalty Total \$4,875

This violation Final Assessed Penalty (adjusted for limits) \$4,875

Economic Benefit Worksheet

Respondent The Dallas Group of America, Inc.

Case ID No. 46587

Reg. Ent. Reference No. RN100872977

Media Air

Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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No commas or \$

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal	\$3,000	24-Oct-2012	2-Nov-2012	0.02	\$4	n/a	\$4
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$1,000	24-Oct-2012	1-Nov-2012	0.02	\$1	n/a	\$1

Notes for DELAYED costs

Estimated cost to permanently remove the HCl Storage Tank from service and neutralize the contaminated area. The Date Required is the date the emissions event began and the Final Date is the dates of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$4,000

TOTAL

\$5

Screening Date 4-Apr-2013

Docket No. 2013-0678-AIR-E

PCW

Respondent The Dallas Group of America, Inc.

Policy Revision 3 (September 2011)

Case ID No. 46587

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100872977

Media [Statute] Air

Enf. Coordinator Jessica Schildwachter

Violation Number 2

Rule Cite(s)

30 Tex. Admin. Code § 101.201(a)(1)(B) and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to submit the initial notification for a reportable emissions event within 24 hours of discovery. Specifically, Incident No. 175682 was discovered on October 24, 2012 but was not reported until November 5, 2012.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0.0%

>> Programmatic Matrix

Falsification			
	Major	Moderate	Minor
			x

Percent 1.0%

Matrix Notes

The Respondent met at least 70% of the rule requirement.

Adjustment \$24,750

\$250

Violation Events

Number of Violation Events 1

11 Number of violation days

mark only one
with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty \$250

One single event is recommended for the late notification.

Good Faith Efforts to Comply

25.0% Reduction

\$62

Before NOV NOV to EDRP/Settlement Offer

Extraordinary		
Ordinary	x	
N/A		(mark with x)

Notes

The Respondent completed the corrective actions on November 5, 2012, prior to the March 15, 2013 NOE.

Violation Subtotal \$188

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$163

This violation Final Assessed Penalty (adjusted for limits) \$163

Economic Benefit Worksheet

Respondent The Dallas Group of America, Inc.

Case ID No. 46587

Reg. Ent. Reference No. RN100872977

Media Air

Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Cost **Date Required** **Final Date** **Yrs** **Interest Saved** **Onetime Costs** **EB Amount**
Item Description No commas or \$

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$250	25-Oct-2012	5-Nov-2012	0.03	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to submit the emissions event initial notification. The Date Required is the date the notification was due and the Final Date is the date the notification was submitted.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$250

TOTAL

\$0



Compliance History Report

PUBLISHED Compliance History Report for CN600880116, RN100872977, Rating Year 2012 which includes Compliance History (CH) components from September 1, 2007, through August 31, 2012.

Customer, Respondent, or Owner/Operator:	CN600880116, The Dallas Group Of America, Inc.	Classification: HIGH	Rating: 0.00
Regulated Entity:	RN100872977, THE DALLAS GROUP OF AMERICA	Classification: HIGH	Rating: 0.00
Complexity Points:	8	Repeat Violator: NO	
CH Group:	05 - Chemical Manufacturing		
Location:	301 DOCK ROAD TEXAS CITY, TEXAS 77590, GALVESTON COUNTY		
TCEQ Region:	REGION 12 - HOUSTON		

ID Number(s):

IHW CORRECTIVE ACTION SOLID WASTE REGISTRATION # (SWR) 31016

POLLUTION PREVENTION PLANNING ID NUMBER P03256

AIR NEW SOURCE PERMITS REGISTRATION 18815

AIR NEW SOURCE PERMITS PERMIT 24711

AIR NEW SOURCE PERMITS ACCOUNT NUMBER GB00650

AIR NEW SOURCE PERMITS REGISTRATION 87131

AIR NEW SOURCE PERMITS AFS NUM 4816700162

INDUSTRIAL AND HAZARDOUS WASTE EPA ID TXR000026260

INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE REGISTRATION # (SWR) 31016

STORMWATER PERMIT TXR05N653

AIR EMISSIONS INVENTORY ACCOUNT NUMBER GB00650

Compliance History Period:	September 01, 2007 to August 31, 2012	Rating Year:	2012	Rating Date:	09/01/2012
Date Compliance History Report Prepared:	April 03, 2013				
Agency Decision Requiring Compliance History:	Enforcement				
Component Period Selected:	April 03, 2008 to April 03, 2013				

TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.

Name: Jessica Schildwachter

Phone: (512) 239-2617

Site and Owner/Operator History:

- | | |
|--|-----|
| 1) Has the site been in existence and/or operation for the full five year compliance period? | YES |
| 2) Has there been a (known) change in ownership/operator of the site during the compliance period? | NO |
| 3) If YES for #2, who is the current owner/operator? | N/A |
| 4) If YES for #2, who was/were the prior owner(s)/operator(s)? | N/A |
| 5) If YES, when did the change(s) in owner or operator occur? | N/A |

Components (Multimedia) for the Site Are Listed in Sections A - J

A. Final Orders, court judgments, and consent decrees:

N/A

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

D. The approval dates of investigations (CCEDS Inv. Track. No.):

Item 1 April 28, 2009 (738074)

E. Written notices of violations (NOV) (CCEDS Inv. Track. No.):

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

N/A

F. Environmental audits:

N/A

G. Type of environmental management systems (EMSs):

N/A

H. Voluntary on-site compliance assessment dates:

N/A

I. Participation in a voluntary pollution reduction program:

N/A

J. Early compliance:

N/A

Sites Outside of Texas:

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
THE DALLAS GROUP
OF AMERICA, INC.
RN100872977**

**§ BEFORE THE
§
§ TEXAS COMMISSION ON
§
§ ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2013-0678-AIR-E

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding The Dallas Group of America, Inc. ("Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent presented this agreement to the Commission.

The Respondent understands that it has certain procedural rights at certain points in the enforcement process, including, but not limited to, the right to formal notice of violations, notice of an evidentiary hearing, the right to an evidentiary hearing, and a right to appeal. By entering into this Agreed Order, the Respondent agrees to waive all notice and procedural rights.

It is further understood and agreed that this Order represents the complete and fully-integrated settlement of the parties. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable. The duties and responsibilities imposed by this Agreed Order are binding upon the Respondent.

The Commission makes the following Findings of Fact and Conclusions of Law:

I. FINDINGS OF FACT

1. The Respondent owns and operates an ammonium chloride manufacturing plant at 301 Dock Road in Texas City, Galveston County, Texas ("the Plant").

2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. During an investigation conducted on October, 29, 2012, TCEQ staff documented that the Respondent released 5,014 pounds of hydrochloric acid ("HCl") from the HCl Storage Tank T-5C during an avoidable emissions event (Incident No. 175682) that began on October 24, 2012 and lasted 14 hours. The event occurred due to the failure of the tank manway, which was caused by a crack in the manway flange liners allowing HCl to come into contact with the fiberglass reinforced tank, allowing the contents of Tank T-5C to spill to the dike containment area and over the dike containment onto the ground alongside Dock Road. Six firefighters and five employees were exposed to HCl vapors and were taken to a local emergency room for evaluation and treatment and the Texas City Fire Department issued a precautionary Shelter-In-Place Order from approximately midnight until 5:00 a.m. The TCEQ determined that the emissions event could have been avoided through better operational practices.
4. During an investigation conducted on October, 29, 2012, TCEQ staff documented that Incident No. 175682 was discovered on October 24, 2012 but was not reported until November 5, 2012.
5. The Respondent received notice of the violations on March 19, 2013.
6. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:
 - a. On November 1, 2012, permanently removed HCl Storage Tank T-5C from service;
 - b. By November 2, 2012, neutralized the area and excavated and removed the contaminated soil; and
 - c. On November 5, 2012, submitted the initial report for Incident No. 175682.

II. CONCLUSIONS OF LAW

1. The Respondent is subject to the jurisdiction of the TCEQ pursuant to TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7 and the rules of the Commission.
2. As evidenced by Findings of Fact No. 3, the Respondent failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 116.115(b)(2)(F) and (c), TEX. HEALTH & SAFETY CODE § 382.085(b), and New Source Review Permit No. 24711, Special Conditions No. 1. Since the emissions event could have been avoided through better operational practices, the Respondent is precluded from asserting the affirmative defense under 30 TEX. ADMIN. CODE § 101.222.

3. As evidenced by Findings of Fact No. 4, the Respondent failed to submit the initial notification for a reportable emissions event within 24 hours of discovery, in violation of 30 TEX. ADMIN. CODE § 101.201(a)(1)(B) and TEX. HEALTH & SAFETY CODE § 382.085(b).
4. Pursuant to TEX. WATER CODE § 7.051, the Commission has the authority to assess an administrative penalty against the Respondent for violations of the Texas Water Code and the Texas Health and Safety Code within the Commission's jurisdiction; for violations of rules adopted under such statutes; or for violations of orders or permits issued under such statutes.
5. An administrative penalty in the amount of Five Thousand Thirty-Eight Dollars (\$5,038) is justified by the facts recited in this Agreed Order, and considered in light of the factors set forth in TEX. WATER CODE § 7.053. The Respondent has paid Two Thousand Five Hundred Nineteen Dollars (\$2,519) of the administrative penalty. Two Thousand Five Hundred Nineteen Dollars (\$2,519) shall be conditionally offset by the Respondent's completion of a Supplemental Environmental Project ("SEP").

III. ORDERING PROVISIONS

NOW, THEREFORE, THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ORDERS that:

1. The Respondent is assessed an administrative penalty in the amount of Five Thousand Thirty-Eight Dollars (\$5,038) as set forth in Section II, Paragraph 5 above, for violations of TCEQ rules and state statutes. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order completely resolve the violations set forth by this Agreed Order in this action. However, the Commission shall not be constrained in any manner from requiring corrective actions or penalties for other violations that are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: The Dallas Group of America, Inc., Docket No. 2013-0678-AIR-E" to:

Financial Administration Division, Revenue Operations Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. The Respondent shall implement and complete a SEP in accordance with TEX. WATER CODE § 7.067. As set forth in Section II, Paragraph 5 above, Two Thousand Five Hundred Nineteen Dollars (\$2,519) of the assessed administrative penalty shall be offset with the condition that the Respondent implement the SEP defined in Attachment A, incorporated herein by reference. The Respondent's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.

3. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
4. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. The Executive Director may refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings without notice to the Respondent if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
7. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
8. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
9. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this

paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.

10. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties. By law, the effective date of this Agreed Order is the third day after the mailing date, as provided by 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T CODE § 2001.142.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission


For the Executive Director

10/31/13

Date


I, the undersigned, have read and understand the attached Agreed Order in the matter of The Dallas Group of America, Inc. I am authorized to agree to the attached Agreed Order on behalf of The Dallas Group of America, Inc., and do agree to the specified terms and conditions. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I understand that by entering into this Agreed Order, The Dallas Group of America, Inc. waives certain procedural rights, including, but not limited to, the right to formal notice of violations addressed by this Agreed Order, notice of an evidentiary hearing, the right to an evidentiary hearing, and the right to appeal. I agree to the terms of the Agreed Order in lieu of an evidentiary hearing. This Agreed Order constitutes full and final adjudication by the Commission of the violations set forth in this Agreed Order.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.


Signature

Date

7/15/13

ROBERT H DALLAS II

Name (Printed or typed)

Authorized Representative of

The Dallas Group of America, Inc.

PROSECUTOR
Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Section III, Paragraph 1 of this Agreed Order.

Attachment A
Docket Number: 2013-0678-AIR-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	The Dallas Group of America, Inc.
Penalty Amount:	Five Thousand Thirty-Eight Dollars (\$5,038)
SEP Offset Amount:	Two Thousand Five Hundred Nineteen Dollars (\$2,519)
Type of SEP:	Contribution to a Third-Party Pre-Approved SEP
Third-Party Administrator:	Barber's Hill Independent School District
Project Name:	<i>Alternative Fuel School Bus Replacement</i>
Location of SEP:	Chambers County

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the penalty amount assessed in this Agreed Order for Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Offset Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

a. Project

Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to **Barber's Hill Independent School District** ("Barber's Hill ISD") for the *Alternative Fuel School Bus Replacement* program. The contribution will be used in accordance with the SEP Agreement between the Third-Party Administrator and the TCEQ (the "Project"). Specifically, the SEP Offset Amount shall be used to reduce carbon monoxide ("CO"), nitrogen oxides ("NO_x"), particulate matter ("PM"), and volatile organic compounds ("VOC") emissions by replacing older school buses with new propane-fueled buses. The Third-Party Administrator shall ensure that each replacement bus purchased has an engine that meets 2010 EPA Standards. The Third-Party Administrator has invested in propane fueling infrastructure to support the operation of new propane-fueled buses. The Third-Party Administrator shall give preference to replacing the oldest, most polluting buses currently in use. Only older buses that are currently in regular use, driven on a regular route on a weekly basis for at least the past two years are eligible for replacement. The SEP Offset Amount will only be used for the purchase of a base model propane-fueled replacement bus. The Third-Party Administrator shall own and operate each replacement bus for at least five (5) years following the date of purchase. The SEP will

be performed in accordance with all federal, state, and local environmental laws and regulations.

All dollars contributed will be used solely for the direct cost of the Project. Any portion of this contribution that is not able to be spent on the specifically identified SEP may, at the discretion of the Executive Director ("ED"), be applied to another pre-approved SEP.

Respondent's signature affixed to this Agreed Order certifies that it has no prior commitment to make this contribution and that it is being contributed solely in an effort to settle this enforcement action. Respondent shall not profit in any manner from this SEP.

b. Environmental Benefit

This SEP will directly benefit air quality by reducing harmful exhaust emissions that contribute to the formation of ozone and may cause or exacerbate a number of respiratory diseases, including asthma. For example, by replacing a 1989 diesel bus with a new 2010 ultra-low emission model, passengers' exposures to NO_x may be reduced by 98 percent; VOC by 93 percent; CO by 83 percent; and PM by 99 percent.

c. Minimum Expenditure

Respondent shall contribute at least the SEP Offset Amount to the Third-Party Administrator and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, Respondent must contribute the SEP Offset Amount to the Third-Party Administrator. Respondent shall make the check payable to **Barber's Hill ISD SEP** and shall mail the contribution with a copy of the Agreed Order to:

John Johnson, Consultant
Carl R. Griffith & Associates, Inc.
2901 Turtle Creek Drive, Suite 445
Port Arthur, Texas 77642

3. Records and Reporting

Concurrent with the payment of the SEP Offset Amount, Respondent shall provide the Enforcement Division SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount to the Third-Party Administrator. Respondent shall mail a copy of the check and transmittal letter to:

The Dallas Group of America, Inc.
Agreed Order - Attachment A

Texas Commission on Environmental Quality
Enforcement Division
Attention: SEP Coordinator, MC 219
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of required reporting described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that Respondent failed to fully implement and complete the Project, Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP, shall make the check payable to "Texas Commission on Environmental Quality," and shall mail it to:

Texas Commission on Environmental Quality
Office of Legal Services - Litigation Division
Attention: SEP Coordinator, MC 175
P.O. Box 13087
Austin, Texas 78711-3087

5. Publicity

Any public statements concerning this SEP made by or on behalf of Respondent must include a clear statement that the Project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP Offset Amount identified in this Agreed Order has not been, and shall not be, included as a SEP for Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.